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HOUSE BILL 3367

By Kisber

AN ACT to amend Tennessee Code Annotated, Title 4; Title 5; Title 6; Title 7; Title 8; Title 9; Title 13; Title 16; Title 17; Title 29; Title 30; Title 40; Title 54; Title 55; Title 57; Title 59; Title 67 and Title 68, relative to funding state and local government. This act makes appropriations for fiscal years beginning July 1, 1999, and July 1, 2000, for the purpose of funding state and local government.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-206(b), is amended by deleting from subdivision (1) the language "Tax at the rate of one and one-half percent (1.5%) shall be imposed with respect to gas, electricity, fuel oil, coal and other energy fuels when sold to or used by manufacturers." and by substituting instead the following:

Tax at the rate of two percent (2%) shall be imposed with respect to gas, electricity, fuel oil, coal and other energy fuels when sold to or used by manufacturers. Notwithstanding any provision of this section or any other law to the contrary, any revenue generated from the increase in the tax rate from one and one-half percent (1.5%) to two percent (2%) shall be deposited in the general fund and no portion of such revenue shall be allocated to any county or

municipality. Such revenue shall not be included in any computation pertaining to any such allocation to any county or municipality.

SECTION 2. Tennessee Code Annotated, Section 67-6-218, is amended by deleting that section in its entirety and by substituting instead the following:

67-6-218 (a) Notwithstanding any provision of this chapter to the contrary, tax at the rate of two percent (2%) shall be imposed with respect to electricity and liquefied gas, including, but not limited to, propane and butane, when sold to or used by farmers and nurserymen directly in the production of food or fiber for human or animal consumption or to aid in the growing of a horticultural product for sale.

(b) Notwithstanding any provision of this chapter to the contrary, tax at the rate of two percent (2%) shall be imposed with respect to the sale of coal, wood, wood products or wood by-products, or fuel oil, which is used as energy fuel in the production of nursery and greenhouse crops.

(c) Notwithstanding any provision of this section or any other law to the contrary, any revenue generated from the increase in the tax rate from one and one-half percent (1.5%) to two percent (2%) shall be deposited in the general fund and no portion of such revenue shall be allocated to any county or municipality. Such revenue shall not be included in any computation pertaining to any such allocation to any county or municipality.

SECTION 3. Tennessee Code Annotated, Section 67-6-334, is amended by deleting the section in its entirety.

SECTION 4. This act shall take effect July 1, 2000, the public welfare requiring it.